(c) and (d) The comments of the Governments of Rajasthan and Madhya Pradesh have been received; they do not favour the proposal. Comments from some more State Governments are awaited. The Central Government's reaction will be formulated after receipt of comments from all the State Governments and Union Territories.

Financial Assistance to Tobacco Companies

1047. SHRI SHAMIM HASHMI: Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks are financing tobacco companies; and

(b) if so, what is the amount of such assistance given during the last three years, yearwise?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Yes, Sir.

(b) The amount of assistance given by the nationalised banks in the last 3 years is not available with Reserve Bank of India. The most recent information pertaining to the details of the limits sanctioned and balances outstanding to Tobacco Processing & Manufacturing units by nationalised banks are for the periods ended June 1988 and December, 1988, which is as follows:—

(Rs. in crores)

At the end of	Limits sanctioned	Balance Outstanding
June 1988 .	202·10	157·24
Dec., 1988 .	213·22	157·41

Similarly, the most recent information on Bank credit given to large borrowers of the above industry who enjoy credit limits of Rs. 5 crores and above are for the periods ended June, 1989 and June, 1990 which is as follows:—

(Rs. crores)

At the end of	Limits sanctioned	Balance outstanding
June, 1989 .	58·30	49·60
June, 1990 .	84·00	53·70

Parity with Nationalised Banks sought by Private Banks pertaining to loan waiver scheme

1048. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the forum of All India Private Sector Banks has sought parity with the nationalised banks in the matter of loan waiver scheme and the establishment of currency chests and if so, what action is being taken by Government on their request;

(b) whether these banks participate in the rural development programmes like IRDP alongwith the nationalised banks; and

(c) whether Government propose to take initiative in solving the problems posed by the Forum and if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) The Reserve Bank of India (RBI) has reported that the forum of All India Private Sector Banks has not sought parity with nationalised banks for establishment of currency chests. Private Sector Banks have sought parity in coverage of their borrowers with borrowers of commercial banks, Regional Rural Banks and Co-operatives However, as per the provisions of the Agricultural and Rural Debt Relief Scheme 1990, the loans issued only by public sector banks, regional rural banks and cooperative banks are eligible for relief under the scheme.

(b) All Indian scheduled commercial banks are required to finance Integrated Rural Development Programme (IRDP)

beneficiaries. However, private sector banks have not been involved in financing Self Employment Programme for Urban Poor (SEPUP) and Schemes for Urban Micro Enterprises (SUME).

(c) The Public Sector Banks maintain currency chests as they conduct government business. The private banks do not perform these functions and they can utilise the currency chests maintained by public sector banks in case they require depositing their surplus cash.

Forged Share Certificates

1049. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that forged share certificates of a South based blue chip company were sold as genuine ones in the share market and if so, what are the details thereof;

(b) whether the Madras Stock Exchange has taken action on this complaint and if so, what are the details thereof;

(c) whether it is also a fact that some foreign elements desparately needing to raise funds were indulged in forging share certificates of highly priced scripts; and

(d) what steps are being taken to prevent such illegal activities?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (b) According to the information furnished by the Madras Stock Exchange, transfer deeds purported to have been certified by Thanjavur Textiles Limited alongwith the forged letterhead of the company were delivered by some persons to two members of the Exchange who in turn delivered the certificates in the market. As soon as the Exchange came to know about the forgey of certificates, it advised the company to take appropriate action.

(c) No such instance has come to our notice.

(d) The concerned agencies of the Government are constantly alert to prevent illegal activities.

Attracting foreign investment

1050. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to encourage direct foreign investment in order to attract a greater flow of foreign exchange;

(b) whether Government propose to make a study on the working of the foreign companies and their export commitment;

(c) whether it is a fact that the foreign companies earn more through the domestic market than through exports; and

(d) whether Government propose to permit foreign investment only in the area of high technology projects or in export-oriented projects?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Foreign Investment is welcome in areas consistent with our National goals and perspectives;

(b) and (c) Exports is only one of the various considerations for which foreign investment is welcome in the country, and therefore, all companies with foreign investment and operating in areas of high technology and of importance to economic development do not necessarily have to export;

(d) Foreign investment will continue to be allowed within the framework of our national priorities specially for purposes of modernization, meeting critical gaps in technology and production and for boosting exports.